

EXHIBIT “10”

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

	:	Chapter 11
In re	:	
	:	Case No. 02-10118 (MFW)
THE IT GROUP, INC., <u>et al.</u> ,	:	
	:	Jointly Administered
	:	
Post-Confirmation Estate.	:	<b>Response Deadline: July 1, 2004 at 4:00 p.m.</b>
	:	<b>Hearing Date: July 8, 2004 at 4:00 p.m.</b>

**MOTION BY THE IT LITIGATION TRUST TRUSTEE FOR AUTHORIZATION TO  
(I) REDUCE THE PAYABLE AMOUNT OF CERTAIN PAID CLAIMS,  
(II) REDUCE THE RESERVE AMOUNT FOR CERTAIN SETOFF CLAIMS,  
AND (III) SET A MAXIMUM RESERVE AMOUNT FOR ALL  
UNRESOLVED SECURED, ADMINISTRATIVE AND PRIORITY CLAIMS**

The IT Litigation Trust Trustee (the “Trustee”) of the IT Litigation Trust (the “Trust”), as successor to The IT Group, Inc. and its affiliated debtors (collectively, the “Debtors”), by and through its undersigned counsel, hereby files this Motion (the “Distribution Motion”) for authorization to (i) Reduce the Payable Amount of Certain Paid Claims, (ii) Reduce the Reserve Amount for Certain Setoff Claims, and (iii) Set a Maximum Reserve Amount for All Unresolved Secured, Administrative and Priority Claims, and in support thereof respectfully represents:

**BACKGROUND**

1. On January 16, 2002, (the “Petition Date”) each of the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq., as amended (the “Bankruptcy Code”) with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”), thereby commencing their respective chapter 11 cases (the “Chapter 11 Cases”), which are being jointly administered.

2. By order dated April 25, 2002, the Bankruptcy Court approved the sale (the “Sale”) of substantially all of the Debtors’ assets to, and assumption of certain liabilities by, an affiliate of The Shaw Group, Inc. (“Shaw”) pursuant to that certain Asset Purchase Agreement

By and Among The IT Group, Inc., Certain Subsidiaries of The IT Group, Inc., and The Shaw Group, Inc., dated as of January 23, 2002.

3. By order dated April 5, 2004 (the "Confirmation Order"), the Bankruptcy Court confirmed the First Amended Joint Chapter 11 Plan of The IT Group, Inc. and its affiliated Debtors proposed by the Debtors and the Official Trustee of Unsecured Creditors (as amended, the "Plan").<sup>1</sup>

4. The effective date of the Plan occurred on April 30, 2004 (the "Effective Date"). In accordance with the terms of the Plan and the Confirmation Order, the Trust was established on the Effective Date as successor to the Debtors, with AlixPartners serving as Trustee. The Trust also acts as Disbursing Agent under the Plan for the purpose of liquidating and distributing the Debtors' remaining assets to the Debtors' creditors.

5. On the Effective Date, the Debtors and their estates were substantively consolidated in accordance with the Plan. The gross amount of cash in hand in the Debtors' estates that was transferred to the Trust on the Effective Date was approximately \$48 million.

6. In accordance with section 1129(a)(9) of the Bankruptcy Code, Article IV of the Plan provides that holders of Allowed Claims in Class 1 (Priority Claims) shall be treated as follows:

Each holder of an Allowed Priority Claim shall be unimpaired under the Plan and such Allowed Priority Claims shall either be paid in full in Cash on the Effective Date or, pursuant to section 1124 of the Bankruptcy Code, all of the legal, equitable and contractual rights of each holder of an Allowed Priority Claim in respect of such Claim shall be fully reinstated and retained, except as provided in section 1124(2)(A)-(C) of the Bankruptcy Code, and the holders of such Allowed Priority Claims shall be paid in full in accordance with such reinstated rights, provided that payment may be made by the Litigation Trust rather than Reorganized IT Group,

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

to the extent the Litigation Trust succeeds to the Debtors' Assets in lieu of Reorganized IT Group.

Plan ¶ 4.1(a).

7. Article IV of the Plan further provides, in pertinent part, that holders of Allowed Claims in Class 3 (Lender Claims) shall be treated as follows:

[T]he Lender Claims shall be Allowed in full under the Plan and each holder of an Allowed Lender Claim shall receive on the Effective Date and on any applicable Distribution Date thereafter, in full and complete satisfaction of such Claim, its Pro Rata Share of (i) 87.5% of the Available Proceeds, (ii) 90% of the Shaw Stock, . . .

Plan ¶ 4.1(c).

8. Article V of the Plan provides that holders of Allowed Administrative Claims shall be treated as follows:

[E]ach holder of an Allowed Administrative Claim shall receive (i) the amount of such holder's Allowed Claim in one Cash payment, or (ii) such other treatment as may be agreed upon in writing by . . . the Litigation Trust Trustee, and such holder; provided, that an Administrative Claim representing a liability incurred in the ordinary course of business of the Debtors may be paid at . . . the Litigation Trust Trustee's, election in the ordinary course of business.

Plan ¶ 5.1(d).

9. Alleged creditors (the "Claimants") have filed approximately 7,000 proofs of claim asserting claims against the Debtors (collectively, the "Claims") in an amount exceeding \$16 billion. The Bankruptcy Court has entered orders reducing or disallowing and expunging over \$1.075 billion in claims pursuant to omnibus objections filed to date.

10. Claims filed as secured, administrative or priority ("SAP Claims") account for approximately \$256 million of the remaining unresolved Claims.